

SUMMARY OF NO. 13-08

This proposed law would raise the state's minimum wage, which was \$8.00 per hour as of September 2013, to \$9.25 per hour as of January 1, 2015, and to \$10.50 per hour as of January 1, 2016.

The proposed law would also increase the minimum cash wage required to be paid to employees who regularly receive more than \$20 a month in tips. Under current law, such employees are paid a minimum cash wage (\$2.63 per hour as of September 2013), and keep their tips, but if the total pay including tips is less than the regular minimum wage, the employer must make up the difference. The proposed law would increase such employees' minimum cash wage to \$4.15 per hour as of January 1, 2015, and to \$6.30 per hour as of January 1, 2016.

For 2017 and later years, the Commissioner of the state Department of Labor Standards would annually adjust the minimum wage, and the minimum cash wage for tipped employees, based on any increase in the cost of living as reflected in the Consumer Price Index, but rounded to the nearest five cents.

The proposed law states that if any of its parts were declared invalid, the other parts would stay in effect.